

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: Pacific Pawnbrokers, Inc.

Case No. 09-53610

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

AMENDED

MONTH ENDED: Feb-10PETITION DATE: 10/14/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

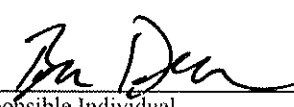
	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	<u>\$182,541</u>	<u>\$205,439</u>	
b. Total Assets	<u>\$1,132,096</u>	<u>\$1,154,994</u>	
c. Current Liabilities	<u>\$280,416</u>	<u>\$280,816</u>	
d. Total Liabilities	<u>\$3,046,264</u>	<u>\$3,046,664</u>	
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	<u>\$47,526</u>	<u>\$43,180</u>	<u>\$221,311</u>
b. Total Disbursements	<u>\$60,038</u>	<u>\$33,897</u>	<u>\$219,410</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>(\$12,512)</u>	<u>\$9,283</u>	<u>\$1,901</u>
d. Cash Balance Beginning of Month	<u>\$45,589</u>	<u>\$36,306</u>	<u>\$31,176</u>
e. Cash Balance End of Month (c + d)	<u>\$33,077</u>	<u>\$45,589</u>	<u>\$33,077</u>
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	<u>(\$12,045)</u>	<u>\$11,674</u>	<u>\$3,736</u>
5. Account Receivables (Pre and Post Petition)	<u>\$0</u>	<u>\$0</u>	
6. Post-Petition Liabilities	<u>\$280,416</u>	<u>\$280,816</u>	
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$280,416</u>	<u>\$280,474</u>	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|-----------------------------|-----------------------------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u> </u> | <u>x</u> |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u> </u> | <u>x</u> |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | <u> </u> | <u> </u> |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | <u> </u> | <u> </u> |
| 12. Is the estate insured for replacement cost of assets and for general liability? | <u> </u> | <u>x</u> |
| 13. Are a plan and disclosure statement on file? | <u> </u> | <u> </u> |
| 14. Was there any post-petition borrowing during this reporting period? | <u> </u> | <u>x</u> |
15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 9/21/10


Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 02/28/10

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$47,525		\$47,525	Revenues:		
		\$0	1 Gross Sales	\$221,354	
\$47,525	\$0	\$47,525	2 less: Sales Returns & Allowances	\$1,228	
\$10,387		(\$10,387)	3 Net Sales	\$220,126	\$0
\$37,138	\$0	\$37,138	4 less: Cost of Goods Sold (Schedule 'B')	\$51,700	
\$1		\$1	5 Gross Profit	\$168,426	\$0
		\$0	6 Interest	\$1	
		\$0	7 Other Income:		
		\$0	8		
		\$0	9		
\$37,139	\$0	\$37,139	10 Total Revenues	\$168,427	\$0
		\$0	Expenses:		
\$5,835		(\$5,835)	11 Compensation to Owner(s)/Officer(s)	\$0	
		\$0	12 Salaries	\$36,731	
\$3,460		(\$3,460)	13 Commissions	\$0	
		\$0	14 Contract Labor	\$18,310	
		\$0	Rent/Lease:		
\$4,838		(\$4,838)	15 Personal Property		
\$0		\$0	16 Real Property	\$19,352	
		\$0	17 Insurance	\$2,060	
		\$0	18 Management Fees	\$100	
		\$0	19 Depreciation		
		\$0	Taxes:		
\$3,724		(\$3,724)	20 Employer Payroll Taxes	\$18,894	
		\$0	21 Real Property Taxes	\$2,601	
\$2,734		(\$2,734)	22 Other Taxes	\$4,257	
		\$0	23 Other Selling	\$0	
\$1,059		(\$1,059)	24 Other Administrative	\$4,838	
		\$0	25 Interest	\$0	
\$460		(\$460)	26 Other Expenses: Postage and delivery	\$548	
		\$0	27 Building Repairs	\$1,039	
\$152		(\$152)	28 Computer repairs	\$221	
\$28		(\$28)	29 Bank Service Charges	\$546	
\$19,260		(\$19,260)	30 E-Bay Fees	\$20,582	
\$494		(\$494)	31 Payroll Processing	\$1,052	
\$1,648		(\$1,648)	32 Utilities	\$5,865	
\$0		\$0	33 Postage	\$452	
\$4,342		(\$4,342)	34 Health Insurance	\$13,730	
\$48,034	\$0	(\$48,034)	35 Total Expenses	\$151,178	\$0
(\$10,895)	\$0	(\$10,895)	36 Subtotal	\$17,249	\$0
		\$0	Reorganization Items:		
(\$1,150)		\$1,150	37 Professional Fees	(\$13,513)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		
		\$0	42		
(\$1,150)	\$0	(\$1,150)	43 Total Reorganization Items	(\$13,513)	\$0
(\$12,045)	\$0	(\$12,045)	44 Net Profit (Loss) Before Federal & State Taxes	\$3,736	\$0
		\$0	45 Federal & State Income Taxes		
(\$12,045)	\$0	(\$12,045)	46 Net Profit (Loss)	\$3,736	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)

For the Month Ended 02/28/10

Assets**Current Assets****From Schedules****Market Value**

1	Cash and cash equivalents - unrestricted		\$33,077
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$43,561
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	Pawns Receivable		\$105,903
9	Total Current Assets		\$182,541

Property and Equipment (Market Value)

10	Real property	C	\$0
11	Machinery and equipment	D	\$1,000
12	Furniture and fixtures	D	\$600
13	Office equipment	D	\$4,000
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$4,000
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$9,600

Other Assets

22	Loans to shareholders		\$811,274
23	Loans to affiliates		
24	N/R Fred Wilson		\$77,136
25	L//R Don Brown		\$51,545
26	_____		
27	_____		
28	Total Other Assets		\$939,955
29	Total Assets		\$1,132,096

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$280,416
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: _____		
42	_____		
43	_____		
44	Total Current Liabilities		\$280,416

Long-Term Post-Petition Debt, Net of Current Portion

46	Total Post-Petition Liabilities		\$280,416
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Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$2,765,848
50	Total Pre-Petition Liabilities		\$2,765,848
51	Total Liabilities		\$3,046,264

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		(\$2,743,625)
53	Capital Stock		\$1,263,144
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		\$3,736
56	Post-petition contributions/(distributions) or (draws)		
57	Treasury Stock		(\$28,480)
58	Market value adjustment		(\$408,943)
59	Total Equity (Deficit)		(\$1,914,168)
60	Total Liabilities and Equity (Deficit)		\$1,132,096

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days		\$342	
61-90 Days			\$280,416
91+ Days		\$280,074	
Total accounts receivable/payable	\$0	\$280,416	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	46259
Retail/Restaurants -		Add -	
Product for resale	\$34,910	Net purchase	\$7,689
		Direct labor	
Distribution -		Manufacturing overhead	
Products for resale		Freight in	
		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress			
Finished goods			
Other - Explain	\$8,651	Less -	
Held Inventory		Inventory End of Month	\$43,561
		Shrinkage	
		Personal Use	
TOTAL	\$43,561	Cost of Goods Sold	\$10,387

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes ☐ No ☒

How often do you take a complete physical inventory?

Weekly ☐
Monthly ☐
Quarterly ☐
Semi-annually ☐
Annually ☒

Date of last physical inventory was 10/13/2009 0:00

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost ☐
LIFO cost ☐
Lower of cost or market ☒
Retail method ☐
Other ☐
Explain ☐

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Computers and Hardware	\$22,858	\$500
Security System	\$22,590	\$500
Accumulated Depr	(\$45,455)	
Total	(\$7)	\$1,000
Furniture & Fixtures -		
Displays and Counter	\$8,980	\$600
Accumulated Depr	(\$8,980)	
Total	\$0	\$600
Office Equipment -		
Vault, Scales Cleaners etc	\$17,073	\$4,000
Accumulated Depr	(\$17,073)	
Total	\$0	\$4,000
Leasehold Improvements -		
Leasehold Imp - Wells Store	\$111,987	\$0
Accumulated depr	(\$32,698)	
Total	\$79,289	\$0
Vehicles -		
98 Chev Truck	\$0	\$4,000
Total	\$0	\$4,000

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$2,765,848	\$2,765,848

- (a) List total amount of claims even if under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>	<u>Account 5</u>
Bank	1st Ind Bank	1st Ind Bank	1st Ind Bank	Pay Pal	Vault
Account Type	Checking	Money Mkt	Personal	Online	
Account No.	#1101	#2973	#8305		
Account Purpose	Expenses		none	Ebay Sales	
Balance, End of Month	\$638	\$10,123	\$8	\$7,240	\$15,068
Total Funds on Hand for all Accounts	\$33,077				

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/10

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$47,525	\$221,310
3	Interest Received	\$1	\$1
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$47,526	\$221,311
Cash Disbursements			
13	Payments for Inventory	\$10,855	\$39,892
14	Selling		
15	Administrative	\$27,442	\$65,302
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		\$0
20	Real Property	\$4,838	\$19,352
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		\$0
26	Salaries/Commissions (less employee withholding)	\$5,835	\$36,731
27	Management Fees		\$100
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes	\$3,724	\$18,894
30	Real Property Taxes		
31	Other Taxes	\$2,734	\$6,741
32	Other Cash Outflows:		
33	Contract Labor	\$3,460	\$17,710
34	Professional Fees	\$1,150	\$14,688
35			
36			
37			
38	Total Cash Disbursements:	\$60,038	\$219,410
39	Net Increase (Decrease) in Cash	(\$12,512)	\$1,901
40	Cash Balance, Beginning of Period	\$45,589	\$31,176
41	Cash Balance, End of Period	\$33,077	\$33,077

STATEMENT OF CASH FLOWS
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents
 For the Month Ended 02/28/10

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$47,525	\$221,310
2	Rent/Leases Collected		
3	Interest Received	\$1	
4	Cash Paid to Suppliers	\$10,855	\$39,892
5	Cash Paid for Selling Expenses	\$9,295	\$81,074
6	Cash Paid for Administrative Expenses	\$27,442	\$51,371
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property	\$4,838	\$19,352
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$3,724	\$7,400
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes	\$2,734	\$5,633
20	Cash Paid for General Expenses		
21	Professional Fees Paid for Services in Connection with Chp 11 Case	\$1,150	\$14,688
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$12,512)	\$1,900
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$12,512)	\$1,900
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$12,512)	\$1,900
45	Cash and Cash Equivalents at Beginning of Month	\$45,589	\$31,177
46	Cash and Cash Equivalents at End of Month	\$33,077	\$33,077